

NARANJA LAKES COMMUNITY REDEVELOPMENT AGENCY

**Annual Report
Fiscal Year 2003-2004**



Naranja Lakes CRA Annual Report

Fiscal Year 2004

(10-01-03 to 9-30-04)

Introduction

The Naranja Lakes Community Redevelopment Agency (CRA) was formed by Miami-Dade County in 2002, The Agency's Redevelopment Plan was adopted in May 2003 (R-418-03), as was a County ordinance (03-106) establishing the agency's Trust Fund. It completed its first full year of operation in 2003-04. The Agency continued to facilitate the primary Mandarin Lakes Traditional Neighborhood Development (TND) project in the CRA Area in the past year, and celebrated the ground breaking on the CRA-funded public infrastructure improvements in August 2004. This report will address the primary operating aspects of the Agency, revenue growth, and progress made on the primary redevelopment project in FY 2004, as well as, the proposed budget and Agency plans for the coming year.

I. Board

The Naranja Lakes CRA Board is made up of up to nine Board members. During 2004 Kathleen Richardson left the Agency Board and two new Board members were appointed to fill this and a pre-existing vacancy. The new appointees are Daniel Lipe and Mario Espinera, Jr.

As of September 30, 2004 the Board Members were:

Joan Carter
Kenneth Forbes
Rene Infante
Parsuram Ramkissoon
Stuart Archer
Mario Espineira, Jr.
Norm Kramer
Daniel Lipe
and Chairperson "Nina" Gail Betancourt.

II. Staffing

The Naranja Lakes CRA Board was staffed on a part-time basis by members of the Miami-Dade County professional staff. Mr. Jurgen Teintze of the County's Office of Strategic Business Management lead the County support team, advising the Board, executing its day to day business, preparing meeting agendas and ensuring that the Board's directives are implemented. Mr. Gerry Heffernan of the County Attorney's office was the primary legal advisor, although at the end of 2004 the Agency welcomed Mr. Glenn Saks as his replacement. The Clerk of the County Courts, through Ms. Judy Marsh, has recorded all monthly Board meetings and prepared all meeting minutes. Furthermore the Board engaged and availed itself of the professional services of Mr. Steve Zelkowitz of the law firm of Weiss Serota Helfman Pastoriza Guedes Cole& Boniske, as well as Ms. Paula Musto of Communicor Partners. Additionally, the Board engaged Mr. John Ritsema to coordinate the primary development project bid awards, contracts and construction payments. Extraordinary support services provided by County staff, triggered the payment of a nominal sum of \$5,000 to the County General Fund as provided for in the inter-local agreement between the CRA and the County . For the fiscal year 2004-05, this amount will be adjusted to \$35,000 to reflect the estimated cost of services from County departments.

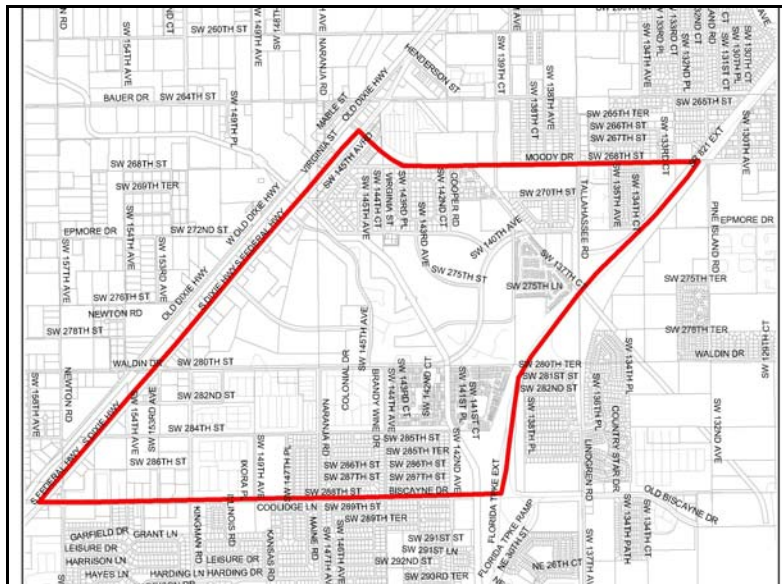
III. Administrative Procedures

The Agency by-laws establish the Agency composition, purpose and powers, meetings and notice requirements and administrative procedures. No significant modifications to the by-laws were adopted during the most recent fiscal year.

IV. CRA Plan Implementation

During the year, the Agency continued to aggressively implement the adopted CRA Plan. The focus of implementation was on the facilitation of the existing Mandarin Lakes TND project and on expanding the Agency's knowledge of the market and unmet program needs for identification of future projects and programs, including those that would require CRA funding support.

Naranja Lakes CRA Area



Mandarin Lakes TND



- This project, developed by Mr. George DeGuardiola and the Naranja Lakes Holdings LLC companies was given the official name of Mandarin Lakes and aggressively began its implementation of the infrastructure development agreement. The CRA is funding this project with \$18 million to pay for water and sewer, streetscaping, drainage and public plaza and community building improvements, all of which are on public right of ways, County property, or on land that will be deeded over to the CRA. The developer is responsible for delivering these improvements and in 2004 has completed portions of the design, land clearing work, as well as water and sewer work. The developer awarded bids for about \$4.8 million for the first phase of construction in 2004.
- The Mandarin Lakes development made substantial progress with the sale of a 73 acre portion of the projects 212 acres to D R Horton Inc. in April 2004. This nationally renown home builder will cause additional infrastructure to be built, once water and sewer plus

arterial road work has sufficiently progressed on their privately held land, and began replatting of the site, for construction on the first 800 home sites in 2005.



Plan Consistency

The implementation of the redevelopment plan's primary development project, which is under construction, combined with the substantial increase in the CRA tax base attest to the "bottom line" success of CRA implementation. The Agency made progress in implementing a public information campaign, issuing its first informational brochure highlighting its purpose, members, projects and stated its adopted mission:

"Rebuilding our Community – An urban initiative to stimulate and guide the redevelopment of the Naranja Lakes area creating better neighborhoods to live, work and play."

This mission statement will guide the CRA Board in its future decisions involving the implementation of the redevelopment plan for the area.

IV. Tax Base Growth and 2003-04 Proposed Budget Results

The basic continuing goal of the Naranja Lakes CRA is the expansion of the property value base of the Area to the maximum extent possible, consistent with the adopted Redevelopment Plan. The 2003 taxable value of the CRA Area grew from the 2002 taxable value base of \$131 million to \$153 million, up 17% since the CRA's inception in 2003. Total revenues in FY 2003-04 were \$178,081. Of

this amount, \$51,051 is the UMSA (Unincorporated Municipal Service Area) tax increment contribution, and \$124,528 is from Miami-Dade County and \$2,500 was interest. The County also issued a revenue bond in the amount of \$5 million, which was made available to the Naranja Lakes CRA in order to pay the Capital Outlay costs of the CRA (please see note in Financials).

On the expenditure side under administration, the CRA's largest expenditures were for legal services \$7,623; marketing and promotions \$7,666, as well as \$1,790 for clerk and meeting costs. Including the \$5,000 cost of county staffing, the total administrative expenses of \$22,079 was 12.4% of current year revenues, and well within the 20% administrative cap contained in the approved Interlocal Agreement. County oversight administrative charges at 1.5% of County tax increment contributions were \$2,634 and County reimbursement of start-up cost advances was \$41,000, representing the first installment of three payments.

Operating expenditures totaled approximately \$1.32 million in FY 2003-04. The largest expenditure was for \$1,302,388 which was for infrastructure improvements, and \$10,585 for debt issuance costs. Contractual services were at \$9,270, which includes project management services. The approved FY 2003/04 Naranja Lakes CRA Annual Budget and results are shown in Exhibit A on the next pages. This exhibit also reflects the next years' budget. Also shown is the CRA revenue calculation projection, and a Statement of Revenues, Expenditures and Fund Balances.

Naranja Lakes Community Redevelopment Agency FY 2005 - 2006 Proposed Budget					Exhibit A
(FY 05-06 begins October 1, 2005)					
	FY 03-04 Budget Adopted	FY 03-04 Actual	FY 04-05 Budget Adopted	FY 04-05 Projection	FY 05-06 Budget Proposed
Revenues					
UMSA Tax Increment Revenue	51,100	51,051	133,036	133,036	538,810
County Tax Increment Revenue	124,500	124,528	322,677	322,677	226,355
Carryover from prior year	-	-	3,790,126	3,790,126	1,187,300
All other revenues (name)					
New Bond Issues (net of Cap interest)		5,000,000	5,000,000	-	5,000,000
Interest earnings		2,502	22,500	7,885	31,000
Revenue Total	175,600	5,178,081	9,268,339	4,253,724	6,983,465
Expenditures					
Administrative Expenditures:					
Employee salary and fringe					
Contractual services	20,000	7,623	20,000	14,171	10,000
Insurance					
Audits and studies	2,500	-	2,500	175	2,500
Printing and publishing			4,000	350	4,000
Clerk and meeting costs	1,500	1,790	3,000	1,998	3,000
Advertising and notices	2,000	7,666	2,000	-	2,000
Travel			1,000	-	1,000
Rent/lease costs					
Office equipment and furniture					
Other admin (Direct County support)	5,000	5,000	35,000	35,000	65,000
(A) Subtotal Admin Expenses and %	31,000	22,079	67,500	51,694	87,500
County Administrative Charge	2,634	2,634	6,836	6,836	11,477
County Reimbursement of Advances	41,000	41,000	41,000	41,000	40,718
(B) Subtotal Admin Expense	74,634	65,713	115,336	99,530	139,695
Operating Expenditures:					
Employee salary and fringe					
Contractual services		9,270	40,000	20,130	30,000
Insurance					
Audits and studies					125,000
Project Mgt supplies	1,000		1,000	-	1,000
Marketing					
Special events					
Legal services/court costs	15,000		10,000	572	15,000
Land/building acquisitions					
Infrastructure improvements		1,302,388	7,200,000	2,822,895	5,000,000
Building construction & improvements					
Debt service payments (Interest)			150,000	123,297	663,385
Redevelopment grants given out					105,000
Redevelopment loans issued out					
Transfers out to others (attach list)					
Debt Issuance Costs		10,585	15,000		15,000
(C) Subtotal Oper. Expenses	16,000	1,322,243	7,416,000	2,966,894	5,954,385
(D) Debt Reserve/Contingency	84,966		1,737,003	-	889,385
Expenditure Total (A+B+C+D)	175,600	1,387,956	9,268,339	3,066,424	6,983,465
Cash Position (Rev-Exp)	-	3,790,126	-	1,187,300	-
Primary Redevelopment Project					
	Multi-year Proposed Expenditures	FY 03-04 actual	FY 04-05 Budget Expenditures	FY 04-05 Estimated Expenditures	FY 05-06 Proposed Expenditures
County loan proceeds est \$19.1 mm	19,100,000	5,000,000	5,000,000	0	5,000,000
Capitalized Interest Reserve/Issuance	3,454,972	10,585	15,000	-	15,000
Available after cap interest, issuance	15,645,028	4,989,415	4,985,000	-	4,985,000
County project mgt cost	255,000	9,270	40,000	20,130	30,000
Construction Payments	15,390,028	1,302,388	7,200,000	2,822,895	5,000,000
Carryover available		3,677,757	1,422,757	834,732	789,732
Transfers Out to Others					
	FY 03-04 budget	FY 03-04 actual	FY 04-05 budget	FY 04-05 Projection	FY 05-06 Proposed
County Advances beg bal	122,718	122,718	81,718	81,718	40,718
Repayments for County advances	41,000	41,000	41,000	41,000	40,718
Other admin (Direct County support)	5,000	5,000	35,000	35,000	65,000
County Administrative Charge	2,600	2,634	6,836	6,836	11,477
Total Transfers out:	48,600	48,634	82,836	82,836	117,195
New Projects					
security studies					75,000
us 1 corridor plan aesthetics and econ dev					30,000
other studies to be determined					20,000
Redevelopment grant program - residential improvements					45,000
Redevelopment grant program - commercial property improvements					60,000
					230,000

Exhibit A Worksheet

Naranja Lakes C.R.A. Projected Tax Increment Financing Formula and Projections

Without Completion of Project

actual taxable value 2002	131,292,949
actual taxable value 2003	153,481,459
increase in taxable value 02/03	22,188,510
actual taxable value 2004	188,293,539
increase in taxable value 03/04	34,812,080
cumulative increase 02/04	57,000,590
millage countywide plus umsa	0.008314
03/04 payment to CRA at 95%	175,579
04-05 payment to CRA at 95%	455,731
05-06 payment to CRA at 95%	775,122

projected growth in taxable value **17%**

3.0%

thereafter

Assuming Completion of Project

year three: completion of 800 units at \$250,000

180,000,000 after \$25,000 homestead exemptions

year five: completion of 700 units at \$225,000

140,000,000 after \$25,000 homestead exemptions

(25,000,000) doubling of homestead exemptions

future projected growth in taxable value:

3.0%

year	base (less project) taxable value	tax increment at 95%	project taxable value	tax increment at 95%	total tax increment at 95%
2004	153,481,459	175,579	-	175,579	175,579
2005	168,293,539	295,827	20,000,000	159,904	450,208
2006	189,430,800	459,190	40,000,000	315,932	775,122
2007	170,113,724	306,618	161,200,000	1,273,206	1,579,824
2008	175,217,136	346,926	227,286,000	1,795,173	2,142,099
2009	180,473,650	388,444	295,354,580	2,332,799	2,721,243
2010	185,887,860	431,207	304,215,217	2,402,783	2,833,990
2011	191,464,495	475,253	313,341,674	2,474,867	2,950,119
2012	197,208,430	520,620	322,741,924	2,549,113	3,069,733
2013	203,124,683	567,349	332,424,182	2,625,586	3,192,935
2014	209,218,424	615,479	342,396,907	2,704,353	3,319,832
2015	215,494,976	665,053	352,668,815	2,785,484	3,450,537
2016	221,959,826	716,114	363,248,879	2,869,049	3,585,163
2017	228,618,620	768,707	374,146,345	2,955,120	3,723,827
2018	235,477,179	822,878	385,370,736	3,043,774	3,866,652
2019	242,541,494	878,674	396,931,858	3,135,087	4,013,761
2020	249,817,739	936,144	408,839,814	3,229,139	4,165,284
2021	257,312,271	995,338	421,105,008	3,326,014	4,321,352
2022	265,031,639	1,056,308	433,738,158	3,425,794	4,482,102
2023	272,982,589	1,119,107	446,750,303	3,528,568	4,647,675
2024	281,172,066	1,183,790	460,152,812	3,634,425	4,818,215
2025	289,607,228	1,250,414	473,957,396	3,743,458	4,993,871
2026	298,295,445	1,319,036	488,176,118	3,855,761	5,174,797
2027	307,244,309	1,389,717	502,821,402	3,971,434	5,361,151
2028	316,461,638	1,462,518	517,906,044	4,090,577	5,553,095
2029	325,955,487	1,537,503	533,443,225	4,213,295	5,750,798
2030	335,734,152	1,614,738	549,446,522	4,339,693	5,954,431
2031	345,806,176	1,694,290	565,929,918	4,469,884	6,164,174
2032	356,180,361	1,776,228	582,907,815	4,603,981	6,380,209
2033	366,865,772	1,860,625	600,395,050	4,742,100	6,602,725
	cumulative	27,629,676	cumulative	88,771,932	116,220,506
NPV, possibly bondable		9,595,046	NPV at 6%	32,682,708	42,107,198
		at 95%		at 95%	at 95%

Naranja Lakes Community Redevelopment Agency

Statement of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year Ended September 30, 2004

	Fiscal Year 2003-04
Revenues	
Intergovernmental	175,579.00
Interest	2,502.41
Total Revenues	178,081.41
Expenditures	
General Government	65,712.98
Capital Outlay	1,322,242.69
Total Expenditures	1,387,955.67
Excess (deficiency) of Revenues over Expenditures	(1,209,874.26)
Other Financing Sources	
Transfers in (See notes)	5,000,000.00
Total Other Financing Sources	5,000,000.00
Fund Balances, beginning	0
Fund Balances, ending	3,790,125.75

notes

On August 13, 2004, the Sunshine State Governmental Financing Commission Commercial Paper Revenue Notes, series G 2004 (Naranja Lakes Project) were issued to Miami Dade County in the amount of \$ 5,000,000, with a variable interest rate and maturity on July 1, 2016. These monies were made available to pay the Capital Outlay cost of the Naranja Lakes CRA.

V. Other Agency Initiatives



The Naranja Lakes CRA Board continues to meet with private developers who are proposing different projects in and around the CRA area. The Board also continues to receive updates from various County Departments such as Planning and Zoning and Police. The Departments are updating the CRA Board on a variety of issues and initiatives they are working on that impact the CRA area, such as Planning and Zoning's Charrette plan for Leisure City / Naranja Lakes which was completed in June of 2004. The Miami-Dade Police Department is updating the CRA Board on public safety issues and initiatives for greater security in the area, and receives continuous feedback from Board Members and community participants at Board meetings.

Planned Projects

The Agency is continually looking for opportunities for redevelopment in the area. The CRA continues to look at future projects that can benefit the area and is in the process of reviewing the different scenarios available to them, in order to spur future growth for the CRA.

Enhanced Public Safety Program

The Agency plans to conduct future studies on enhancing security for the area. Such studies will evaluate *Weed and Seed* programs and whether to engage enhanced Naranja Lakes Police patrols, over and above normal service levels, in the CRA Area only. The projected costs of such programs are yet to be determined.

Community Redevelopment

Future infrastructure improvements to support greater development will be analyzed in studies on specific locations such as the U.S. 1 corridor. In addition, streetscape improvements as well as urban design uniformity will be encouraged in partnership with private developers to enhance area characteristics and identity. The area continues to benefit from the increase in residential and commercial development that is occurring in south Miami-Dade County. The CRA will continue to benefit as this development will continue to increase property values in the area.

Summary

The Naranja Lakes CRA revenues are growing at a very healthy rate, it grew 17% in the first year. The completion of the Mandarin Lakes redevelopment project will further increase this growth and continue to benefit the CRA. The project has been a productive catalyst thus far. The CRA is ready to grow out of its initial stage and begin to become more proactive in the issues that affect the redevelopment of the area. The continued growth in housing developments is expected to continue as more people continue to move to South Dade. The area is one of the last remaining, where large expanses of land is available for residential development in the County, and the numbers of new housing starts in South Dade is reflecting that. The community redevelopment project and other activities, that are consistent with the adopted CRA Plan will continue to be implemented throughout FY 2004-05.



Leisure City / Naranja Lakes Charrette
Citizens' Master Plan (October 2004)